

## Message Text

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PAGE 01 BUCAR 02564 141541Z

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ACTION EB-11

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P 141455Z JUN 74

FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC PRIORITY 9041

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E.O. 11652: N/A

TAGS: EFIN, RO

SUBJECT: DOLLAR BONDS AND IBRD

REF: (A) BUCHAREST 2035 (B) STATE 097512 (C) BUCHAREST 1705

(D) BUCHAREST 2545 (E) STATE 126508

1. DRAWING EXTENSIVELY ON REF E, I REVIEWED IN DETAIL IBRD AND DOLLAR BOND SITUATION WITH MACOVESCU MORNING JUNE 14. MACOVESCU EXPRESSED APPRECIATION FOR PROMPT COMMENTS.

2. MACOVESCU STUCK GENERALLY TO POSITION HE OUTLINED PREVIOUS DAY (REF D). HE REAFFIRMED GOR BELIEF THAT THERE WOULD BE NO LINKAGE BETWEEN "INTERNATIONAL" IBRD SITUATION AND "STRICTLY BILATERAL" US-ROMANIAN DOLLAR BOND MATTER. ANY US ATTEMPT TO MAKE CONNECTION CREATED A POLITICAL ISSUE, WHETHER WE OR THEY WISHED IT OR NOT. HE ACKNOWLEDGED THAT GOR WAS AWARE US HAD LINKED TWO FROM BEGINNING BUT AVERRED GOR HAD NOT, AND STRESSED GOR'S VIEW THAT "BILATERAL MATTERS SHOULD BE HANDLED IN BILATERAL FORUMS." HE REPEATED GOR'S INTENTION TO WITHDRAW REQUESTS FOR LOANS RATHER THAN PUTTING THEM TO VOTE AND HAVING USG VOTE AGAINST. HE SAID THIS EVENTUALITY WOULD NOT RPT NOT BE "CATASTROPHIC" FOR ROMANIA BUT IT WOULD BE DULY "REMEMBERED."

3. IN RESPONSE TO MY THEN PROBING ON HOW BOND ISSUE MIGHT

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PAGE 02 BUCAR 02564 141541Z

BE SOLVED BILATERALLY, MACOVESCU SAID BITULEANU WOULD NOT BE

GIVEN ANY AUTHORITY TO NEGOTIATE BONDS FURTHER "IN PRESENT ATMOSPHERE." WHEN I ASKED WHEN PROGRESS COULD BE MADE MACOVESCU AT FIRST COUNTERED WITH QUESTION AS TO WHEN LOAN PROBLEM COULD BE SOLVED BUT THEN SAID HE PREFERRED TO PASS ON MY COMMENTS AND AWAIT FURTHER REPORT FROM WASHINGTON. MACOVESCU SAID HE KNEW PERFECTLY WELL THAT USG WAS AFRAID GOR WOULD "DRAG OUT TALKS INTERMINABLY, AS IN A BALKAN COFFEEHOUSE, BUT NEVER REACH SOLUTION." HE SAID THIS US FEAR WAS MISPLACED, IF FOR NO OTHER REASON THAN THAT FUTURE STONEWALLING WOULD NOT BE IN ROMANIA'S OVERALL INTEREST IN VIEW OF MUCH MORE IMPORTANT ISSUES AND INTERESTS INVOLVED IN FURTHER SATISFACTORY DEVELOPMENT OF US-ROMANIAN RELATIONS. MACOVESCU, HOWEVER, MADE NO EXPLICIT COMMITMENT TO PROGRESS IF IBRD HUMP WAS HURDLED.

4. COMMENT: I WOULD PREFER TO REFLECT FURTHER BEFORE MAKING ANY CONSIDERED ASSESSMENT OF SERIOUSNESS OF GOR INTENT ON BONDS OR OF POSSIBLE REASONS FOR LACK OF GOR FLEXIBILITY TO DATE IN LIGHT OF MACOVESCU'S INDICATING JUST BEFORE I LEFT THAT HE EXPECTED TO BE BACK IN TOUCH SOON. FROM HIS COMMENTS, INFLEXIBILITY WOULD SEEM TO STEM AT LEAST IN PART FROM ROMANIAN LEADERSHIP'S CHRONIC HYPERSENSITIVITY AGAINST GIVING EVEN SLIGHTEST APPEARANCE OF HAVING BOWED TO INTERNATIONAL PRESSURES, A POINT OF PRECEDENT AND PRINCIPLE MAINLY RELEVANT TO ITS PERENNIALY UNEASY RELATIONSHIP WITH THE USSR.  
BARNES

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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**Film Number:** D740154-1137  
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